



JOSH CASTONGUAY  
*Lead Engineer*

Direct Dial Number:  
(802) 655-8754  
castonguay@greenmountainpower.biz

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VIA EMAIL

Ms. Susan Hudson, Clerk  
Vermont Public Service Board  
112 State St., Drawer 20  
Montpelier, VT 05620

RE: Docket 7523 – Green Mountain Power's Reply Comments to Parties Initial Comments on the Issues List

Dear Ms. Hudson,

This letter will serve as Green Mountain Power's ("GMP") comments on the initial responses of the parties to the Public Service Board's Issue List, dated July 26, 2009. Due to the fact there many comments were provided and the time it would take to reply to each area, GMP has decided to highlight those areas we find are significant in either agreement or disagreement with GMP's initial responses to the Issues List.

Wheeling: Central Vermont Public Service suggests that because of the complexity of the issues, that a subcommittee be formed (see CVPS comment 8). GMP agrees with this approach. We are mindful that we don't want wheeling charges to become an unnecessary obstacle or disincentive to the types of new renewable projects the Act seeks to foster, but we agree with CVPS' observations regarding the complexity and regulatory considerations associated with this issue and the appropriateness of a subcommittee approach to address them.

Evaluation of Data: GMP reiterates its original comment that there is substantial cost/pricing data available and the amount of time required to review and assess the value of that information may be outside the timeline proscribed in the legislation. For this reason we recommend initially maintaining the standard offer prices as proscribed in the Act, and focus on Doc 7533 to set the rate for the 2010 and 2011.

GMP is supportive of the Public Service Board to pursue an expedited process to retain a consultant to assist with data evaluation and pricing determination. Findings and recommendations of the consultant should be transparent and available for review and comment by all parties prior to implementation of the standard offers.

Size limit on projects: The Act establishes a 2.2 MW size limit on projects. GMP does not see this as a prohibition of an expansion of a project as long as the project does not exceed 2.2MW, in total, AND the expansion goes through the required application process.

Line Loss: The legislation acknowledges the many benefits of distributed generation – of which avoidance of line loss is just one of them. It is because of the many benefits of distributed generation that the Board is instructed to develop standard offer prices. Further, it is useful to keep in mind that the Act contemplates setting standard offer prices consistent with the costs of the associated renewable projects – rather than the estimated value (including energy, capacity, avoided losses, etc.) that the projects would provide. Singling out this one benefit and trying to quantify it therefore seems redundant, and it would add unnecessary administrative burden and costs. We therefore don't believe that it would be appropriate to quantify or somehow adjust the standard offer price to reflect this particular avoided loss benefit.

Green Mountain Power appreciates the opportunity to submit these comments for the Board's consideration and looks forward to participate in this proceeding.

Sincerely,



Josh Castonguay

